

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRUSSE 01509 251744Z
ACTION EUR-12

INFO OCT-02 ISO-00 TRSE-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 XMB-02 STR-06
AID-05 CEA-01 COME-00 EB-08 EA-10 FRB-03 INR-07
IO-13 NEA-10 OPIC-03 SP-02 LAB-04 SIL-01 AGRE-00
OMB-01 SS-15 L-03 H-01 PRS-01 PA-01 /110 W
-----008510 251748Z /46

O 251622Z JAN 78

FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC IMMEDIATE 4478
INFO AMEMBASSY PARIS IMMEDIATE
AMEMBASSY DUBLIN PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY LUXEMBOURG PRIORITY
AMEMBASSY COPENHAGEN PRIORITY
AMEMBASSY THE HAGUE PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY BONN PRIORITY

LIMITED OFFICIAL USE BRUSSELS 01509

DEPT. PASS TREASURY (RYSS)

DEPT. FOR EUR/RPE - ALBRECHT

ALSO FOR USEC, USOECD

E.O. 11652: N/A

TAGS: ETRD, OECD, EFIN, EC, BE

SUBJECT: EC EXPORT CREDITS DISCUSSION: JANUARY 24-25

REF: (A) STATE 15723; (B) BRUSSELS 1358

1. OECD/ECG CHAIRMAN GILBERT MORLEGHEM CALLED EMBASSY
OFFICER ON THE AFTERNOON OF JANUARY 25 TO REPORT ON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRUSSE 01509 251744Z

EC DISCUSSIONS REGARDING THE EXPORT CREDIT CONSENSUS.
ALTHOUGH THE MEETINGS HAD NOT CONCLUDED, MORLEGHEM
SAID THAT A RESTRICTED SESSION OF DELEGATION HEADS LATE
JANUARY 24 HAD DEVELOPED THE FOLLOWING POINTS OF
AGREEMENT:

A. THE EC WOULD GO ALONG WITH CERTAIN INCREASES IN BOTH

SHORT TERM INTEREST RATES FOR INTERMEDIATE COUNTRIES AND LONG TERM RATES FOR LDC'S. THE LATTER SHOULD BE DONE, POLITICAL DIFFICULTIES NOTWITHSTANDING. A DELAY IN IMPLEMENTATION OF 6-12 MONTHS WOULD BE NECESSARY ON LONG TERM RATES TO HONOR PRIOR COMMITMENTS UNDERTAKEN IN CURRENT LOAN NEGOTIATIONS.

B. THERE WAS ABSOLUTELY NO RPT NO SUPPORT FOR THE U.S. PROPOSAL TO REQUIRE PERIODIC REPORTING ON INFLATION/ EXCHANGE RISK INSURANCE SCHEMES. SEVERAL PREPRESENTATIVES (I.E. FRANCE, WEST GERMANY, U.K.) ACTIVELY OPPOSED THE IDEA. THE GENERAL CONSENSUS WAS THAT THIS SHOULD BE LEFT TO GATT, AT LEAST UNTIL WE CAN SEE WHAT COMES OF WORK THERE.

C. ON THE MAJOR PROBLEM OF MIXED CREDITS, MORLEGHEM SAID THERE WAS HEAVY PRESSURE FROM OTHER MEMBER STATES ON FRANCE (NORMAN FROM THE FRENCH MINISTRY OF FOREIGN TRADE) TO DEVELOP A COMPROMISE SOLUTION. NORMAN IS REPORTED TO HAVE SUGGESTED A COMPROMISE WHEREBY FRANCE WOULD AGREE TO FURNISH REGULAR REPORTS ON MIXED CREDIT TRANSACTIONS ON CONDITION THAT THE POLICY ITSELF IS EXCLUDED AS A SUBJECT OF DISCUSSION BY THE CONSENSUS STATES. IN OTHER WORDS, REFORM OF TIED AID OR MIXED CREDITS AS A PRACTICE WOULD BE RULED OUT AS AN AREA FOR FUTURE MODIFICATION OF THE CONSENSUS. MORLEGHEM LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BRUSSE 01509 251744Z

QUOTED NORMAN AS SAYING THAT THE FRENCH TREASURY WOULD NOT RPT NOT AGREE TO PERIODIC REPORTING WITHOUT SUCH ASSURANCES.

2. MORLEGHEM ADDED THAT HE UNDERSTANDS THE U.S. POINT OF VIEW ON MIXED CREDITS. TO SAVE THE NEGOTIATION, HOWEVER, HE URGED WE CONSIDER CAREFULLY A COMPROMISE WITH THE FRENCH ALONG THE LINES INDICATED. IF THE USG IS AGREEABLE, HE SUGGESTED THAT WE SHOULD MOVE QUICKLY TO ALLAY OPPOSITION IN THE TREASURY AT THE WORKING LEVEL BEFORE EARLY FEBRUARY WHEN MINISTERIAL DECISIONS WILL BE DUE. OLSEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE01509
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780037-0631
Format: TEL
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780126/aaaaavmo.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6ed4a1e0-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 15723, 78 BRUSSELS 1358
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3719282
Secure: OPEN
Status: NATIVE
Subject: EC EXPORT CREDITS DISCUSSION: JANUARY 24-25
TAGS: ETRD, EFIN, EC, BE, OECD
To: STATE USEEC MULTIPLE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6ed4a1e0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014